## BEFORE THE Federal Communications Commission WASHINGTON, D.C. 20554

| Application of  |                 |
|---|-----------------|
| Cherokee Telephone Company,<br>Assignor                         | )<br>)<br>)     |
| and   | ) WC Docket No. |
| AtLink Services, LLC,<br>Assignee                               | )<br>)<br>)     |
| For Consent to Assignment of Domestic Section 214 Authorization | )<br>)<br>)     |

To: Chief, Wireline Competition Bureau

#### <u>APPLICATION FOR CONSENT TO ASSIGNMENT</u>

Cherokee Telephone Company ("Cherokee") and AtLink Services, LLC ("AtLink") (together, the "Applicants"), pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), hereby respectfully request Commission consent for the assignment of Cherokee's domestic Section 214 authorization, which consists of Cherokee's Connect America Fund ("CAF") Phase II support obligations for certain census blocks in Oklahoma ("Assigned Census Blocks").¹

As recipients of CAF support, each of Cherokee and AtLink may be deemed to hold a domestic Section 214 authorization. As described below, AtLink and Cherokee have entered into an Assignment and Assumption Agreement ("Agreement") by which Cherokee has agreed to assign to AtLink all of Cherokee's (a) accumulated and future receipts of CAF II support; and (b) obligations associated with the receipt of CAF II support with respect to the Assigned Census Blocks listed in Exhibit 1, subject to required federal and state regulatory approvals.

<sup>&</sup>lt;sup>1</sup> The Assigned Census Blocks are listed in Exhibit 1 hereto.

The exchange consists solely of AtLink's assumption of Cherokee's CAF II support obligations in the specified Assigned Census Blocks and corresponding CAF support upon receipt of required Commission and Oklahoma state regulatory approvals. AtLink is not acquiring any of Cherokee's telecommunications assets, services, or customers outside the CAF-supported areas. At present, there are no facilities or customers of Cherokee in the CAF-supported areas. Accordingly, the transaction will not result in any loss or impairment of service for either of the Applicants' customers and will have no adverse effects upon competition anywhere in the United States.

The transaction will benefit future customers by enabling AtLink to deploy CAF facilities in an efficient manner because the obligations it seeks to assume are for Assigned Census Blocks in close proximity to its existing network and census blocks where AtLink is a CAF recipient. The transaction also will not result in any harm to existing customers, so the Commission should find that the transaction will serve the public interest.

#### I. DESCRIPTION OF THE APPLICANTS AND THE TRANSACTION

#### A. Cherokee Telephone Company

Cherokee is an Oklahoma corporation that provides internet, cable television, and phone services within the state of Oklahoma. Its principal place of business is 403 N. Service Road, Calera, OK 74730. Cherokee is a family-owned company established in 1959 to provide telecommunications services to communities often underserved by other providers.

On February 6, 2019, the Oklahoma Corporation Commission ("OCC") designated Cherokee as an ETC for the Assigned Census Blocks (Cause No. 201800108; Order No. 690983). On September 30, 2019, the Bureau announced that Cherokee was a winning bidder in the CAF

Phase II auction for 249 census blocks (1,166 locations) in Oklahoma.<sup>2</sup> The assigned support over 10 years is \$594,975.50. To date, Cherokee has not expended any CAF support with respect to the Assigned Census Blocks.

#### B. AtLink Services, LLC

AtLink Services is an internet service provider based in Oklahoma City. Its principal place of business is 13431 Broadway Extension, Suite 150, Oklahoma City, OK 73114. The company was formed in 2005 with a plan to provide rural areas with high-quality, high-speed Internet access, delivered at a reasonable price. AtLink currently serves more than 11,000 Oklahomans in rural communities and urban areas throughout the state using fixed wireless and fiber-to-the-home technologies. AtLink has been awarded several USDA Broadband Initiatives Program grants to provide internet access service for the next 25 years to unserved and underserved regions in Oklahoma.

On January 24, 2019, the OCC designated AtLink as an ETC for the Oklahoma census blocks where it was the auction winner for CAF support (Cause No. 201800107; Order No. 690248). On July 15, 2019, the Bureau announced that AtLink was a winning bidder in the CAF Phase II auction for 12,501 locations in Oklahoma. The assigned support over 10 years is \$4,762,674.20. AtLink has expended CAF support funds in connection with deployment in its CAF-supported area, and expects to meet the 40 percent buildout milestone well ahead of the three-year milestone deadline.

<sup>&</sup>lt;sup>2</sup> See Connect America Fund Phase II Auction (Auction 903) Closes, Public Notice 34 FCC Rcd 8663 (WCB 2018), Attachment A.

#### C. The Transaction

On October 12, 2021, the Applicants entered into the Agreement under which Cherokee agreed to assign the CAF obligations and corresponding CAF support it has received for the Assigned Census Blocks to AtLink, and AtLink agreed to assume those obligations, subject to any required regulatory approvals. Both Applicants have been authorized to receive support from the Federal Universal Service Fund pursuant to the CAF II program and have been designated as ETC's by the OCC. As part of the assignment and assumption, Cherokee and AtLink have agreed to work together to effectuate the assignment of Cherokee's CAF II program obligations to AtLink.

#### II. EXPLANATION OF TRANSACTION

In connection with the assignment of Cherokee's CAF obligations under the Agreement, subject to grant of this Application and state commission approval and notice, AtLink will acquire the interests of and assume Cherokee's CAF obligations.

As stated above, both Applicants have been designated as ETCs in Oklahoma as a condition to each receiving CAF support. In connection with his transaction, the Applicants are filing for OCC approval for Cherokee to relinquish its Oklahoma ETC designation for the Assigned Census Blocks and for AtLink to expand its ETC designation to cover the Assigned Census Blocks. In this Application, the Applicants seek Commission approval for the assignment of Cherokee's implied domestic Section 214 authorization which Cherokee holds as an ETC and as a CAF recipient for the Assigned Census Blocks in Oklahoma. The Applicants expect to consummate the transaction by the end of this calendar year, or as soon thereafter as Commission and OCC approvals are obtained. AtLink acknowledges and understands that, as a condition to grant of this Application, it will need to submit and have approved by USAC an irrevocable letter of credit and bankruptcy opinion letter for the Assigned Census Blocks.

After consummation of the transaction, AtLink will undertake deployment of the CAFsupported network and integrate such activities and operations into its own ongoing operations and
its CAF deployment. Any future changes to the rates, terms, and conditions of service will be
undertaken pursuant to customers' contracts, tariffs, and applicable law. No carrier change charges
will result from the transaction, and no customer service or billing contact information will change
as a result of the transaction. The transaction will be transparent to the customers of the Applicants,
which customers will continue to be served pursuant to each Applicant's existing operations and
existing terms and conditions. No other Commission licenses or authorizations are involved in the
transaction.

#### III. PUBLIC INTEREST STATEMENT

Pursuant to Section 214 of the Act, the Commission will approve a proposed assignment of domestic Section 214 authorizations if it concludes that doing so would serve the public interest, convenience, and necessity based on the record before it.<sup>3</sup> In making its decision, the Commission will inquire whether the transaction complies with relevant provisions of the Act, other applicable statutes, and the Commission's Rules, including whether the proposed transferee (or assignee, as the case may be) is qualified to hold the authorizations. Consistent with these rules and precedents, the Applicants respectfully submit that the Commission should find that the proposed transaction is in the public interest and approve this Application.

First, as the Commission is aware from its review and approval of AtLink's CAF application and its authorization of CAF support, AtLink has both the necessary industry experience and requisite financial means to take on the responsibility of deploying CAF-supported voice and

<sup>&</sup>lt;sup>3</sup> 47 U.S.C. § 214. See, e.g., Applications of Level 3 Communications, Inc. and CenturyLink, Inc., Memorandum Opinion and Order, WC Docket No. 16-403, FCC 17-142, paras. 8-11 (rel. Oct. 30, 2017) (describing the Commission's standard of review for proposed transfers of control).

broadband service in the Assigned Census Blocks it proposes to assume from Cherokee. AtLink has deployed broadband networks and served customers since 2005 in rural areas of Oklahoma, and it is uniquely situated to efficiently deploy CAF-supported voice and broadband service in the Assigned Census Blocks. AtLink has a history of providing quality, reliable service to its customers, expanding and upgrading service, and complying with CAF and other Federal grant program requirements. AtLink has extensive operational experience and managerial capabilities and resources, which will help steer service enhancements and expansion. Notably, AtLink has the necessary managerial and operational expertise to meet Cherokee's CAF buildout milestones and performance obligations.

Both Cherokee and AtLink are CAF recipients. Their applications and qualifications were subject to rigorous review by Bureau staff prior to being authorized to receive CAF support in 2019. Each provided the Commission with a financial plan demonstrating its ability to complete deployment and meet public interest obligations within the six-year build out period. Since becoming authorized to receive CAF support, Cherokee realized that the Assigned Census Blocks might be served in a more expeditious and cost-effective manner by AtLink given its proximity to Cherokee's CAF-supported areas, its existing operations, resources and infrastructure, and its ahead-of-schedule deployment of its own CAF obligations. Because Cherokee's CAF areas are adjacent to or nearby AtLink's existing operations and AtLink's CAF-supported areas, AtLink can achieve economies of scale and leverage its labor force, infrastructure and operational capabilities to rapidly and cost-effectively build out the Cherokee CAF areas as it expands its broadband operations. The map attached as Exhibit 2 depicts the CAF-supported areas of the two companies.

*Second*, the transaction will not result in any adverse alteration to the buildout plans Cherokee submitted to the Commission in order to be authorized to receive CAF funding.

Relatedly, the transaction will not result in any delays in deployment of services consistent with the applicable public interest obligations associated with receipt of CAF funding. Indeed, the Applicants anticipate that with the financial and human resources and operational efficiencies AtLink will provide, consumers will be able to receive CAF services in the Assigned Census Blocks more quickly. AtLink commits to meeting the buildout milestones and performance obligations established for the Assigned Census Blocks. Further, AtLink is not taking on any debt repayment obligations or otherwise increasing substantially its costs to deploy service.

Accordingly, the transaction will not compromise AtLink's ability to meet the buildout milestones or performance obligations for either its CAF deployment or the deployment in Cherokee's CAF-supported areas. The transaction therefore will serve the public interest because it will not result in any harms to either company's existing customers and will accelerate AtLink's ongoing efforts to expand broadband service to unserved areas.

Third, because there will be no reduction in competitors in Cherokee's CAF-supported areas, there will be no negative impact on competition in the communications market anywhere in the United States, and the transaction will further facilitate the implementation of the Commission's important CAF program goals. To the contrary, the Applicants believe that AtLink can be a more formidable competitor given its managerial and operational background and expertise.

For these reasons, approval of this transaction will serve the public interest, convenience and necessity, and the Commission therefore should grant this Application.

## IV. INFORMATION REQUIRED UNDER SECTION 63.04 OF THE COMMISSION'S RULES RELATING TO AN ASSIGNMENT UNDER A DOMESTIC SECTION 214 AUTHORIZATION

In accordance with Section 63.04 of the Commission's Rules,<sup>4</sup> the Applicants provide the following information:

(1) Name, address, and telephone number of each applicant.

Cherokee Telephone Company

403 Service Road Calera, OK 74730

Phone: 580-434-2325

Email: ssanchez@cherokeetel.com

AtLink Services, LLC

13431 Broadway Extension, Suite 150

Oklahoma City, OK 73114 Telephone: 405-753-7151 E-mail: sam@atlink.net

(2) State under the laws of which each applicant is organized.

Cherokee is an Oklahoma corporation. AtLink is an Oklahoma limited liability company.

(3) Contact information for legal counsel to whom correspondence concerning the application is to be addressed.

Stephen E. Coran Lerman Senter PLLC 2001 L Street, NW, Suite 400 Washington, DC 20036 (202) 416-6744 scoran@lermansenter.com

(4) Name, address, citizenship, and principal business of entities that own at least ten percent (10%) of the equity of the applicants.

<sup>&</sup>lt;sup>4</sup> See 47 C.F.R. § 63.04.

#### For Cherokee

Amy Young (FRN: 0020730354) 528 NW 40th Street Oklahoma City, OK, 73118 Owns 12.89% of Cherokee U.S. Citizen

Jenny Young-Sanchez (FRN: 0020730370) 1013 McIntosh Road Mead, OK 73449 Owns 12.89% of Cherokee U.S. Citizen

James O. Young Trust Cherokee Trust S (FRN: 0027369784)
2207 Ridgeway Street
Ardmore, OK 73401
Owns 18.21% of Cherokee
Trustee/Primary Beneficiary James O. Young U.S. Citizen (FRN: 0026224378)

Tom Young (FRN: 0020730396) 18542 308<sup>th</sup> Street Norman, OK 73071 Owns 12.89% of Cherokee U.S. Citizen

W. O. Young (FRN: 0020730271) 2207 Ridgeway Street Ardmore, OK 73401 Owns 26.47% of Cherokee U.S. Citizen

Ruth C. Young Revocable Trust (FRN: 0020730339) 2207 Ridgeway Street Ardmore, OK 73401 Owns 14.18% of Cherokee Trustee/Primary Beneficiary Ruth C. Young, U.S. Citizen

No other individual or entity owns 10% or more of Cherokee.

#### For AtLink

Samual T. Curtis (FRN: 0027358852) 5308 Wheatley Way Edmond, OK 73034 Owns 12.53% of AtLink

#### U.S. Citizen

The Hinton C A T V Company, Inc. (FRN: 0004975058)

Attn: Kenneth Doughty (FRN: 0017745480)

204 West Main Hinton, OK 73047 Owns 54.39% of AtLink

Oklahoma corporation owned by trusts whose trustees and beneficiaries are all U.S.

Citizens, as follows.

| Trust Shareholder/FRN | Trustee/Beneficiary/FRN | %     | Address                   |
|-----------------------|-------------------------|-------|---------------------------|
| Kenneth Doughty GST   | Kenneth Doughty         | 39%   | 2205 South Broadway Ave., |
| Exempt Trust          | FRN: 0017745480         |       | Hinton, OK 73047          |
| FRN: 0026826768       |                         |       |                           |
| Kenneth Doughty 1994  | Kenneth Doughty         | 31%   | 2205 South Broadway Ave., |
| Revocable Trust       | FRN: 0017745480         |       | Hinton, OK 73047          |
| FRN: 0017746686       |                         |       |                           |
| Jason Doughty 2012    | Jason Doughty           | 19.5% | 728 North Max Street,     |
| Irrevocable Trust     | FRN 0023302821          |       | Hinton, OK 73047          |
| FRN: 0023302821       |                         |       |                           |
| Terry Treadway 2012   | Terry Treadway          | 19.5% | 14815 NW 10th Street,     |
| Irrevocable Trust     | FRN: 0023302839         |       | Yukon, OK 73099           |
| FRN: 0023302839       |                         |       |                           |

Communications Equipment Corporation (FRN: 0016085979)

Attn: Samuel Sanchez (FRN: 0028998912)

403 Service Road Calera, OK 74730 Owns 33.08% of AtLink

Oklahoma corporation owned by individuals who are all U.S. Citizens, as follows.

| Shareholder/FRN                 | %   | Address                  |
|---------------------------------|-----|--------------------------|
| Amy Young FRN: 0020730354       | 20% | 528 NW 40th Street       |
|                                 |     | Oklahoma City, OK, 73118 |
| Jenny Young-Sanchez             | 20% | 1013 McIntosh Road       |
|                                 |     | Mead, OK 73449           |
| James O. Young Cherokee Trust S | 40% | 2207 Ridgeway Street     |
|                                 |     | Ardmore, OK 73401        |
| Tom Young                       | 20% | 18542 308th Street       |
|                                 |     | Norman, OK 73071         |

No other individual or entity holds 10% or more of AtLink.

(5) Certification pursuant to Sections 1.2001 through 1.2003 that no party to the application is subject to a denial of Federal benefits.

Applicants certify as evidenced by the attached Verifications that no party to this Application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

#### (6) Description of the Transaction.

The Applicants have entered into the Agreement pursuant to which AtLink will assume Cherokee's CAF obligations in Oklahoma upon approval by the Commission and the OCC. AtLink is ahead of schedule on its own CAF deployment and can easily absorb Cherokee's obligations. AtLink will bring a number of attributes to the CAF areas that will benefit consumers. It has a larger labor force, greater financial resources, substantial managerial experience, and access to infrastructure in and near the CAF areas it will be assuming. AtLink believes that this experience and know-how will result in expeditious deployment of CAF-supported facilities and services.

Additional responsive information is described in Section II hereof.

(7) Description of the geographic areas in which the Assignor and Assignee (and any of their affiliates) offer domestic telecommunications services, and what services are provided in each area.

Cherokee is a provider of voice and broadband service, including interconnected VoIP service, using both fiber and fixed wireless technology to connect homes, businesses and anchor institutions in Oklahoma. Cherokee has agreed to assign its CAF obligations to AtLink. Cherokee has been authorized to receive CAF support in the Assigned Census Blocks listed in Exhibit 1 hereto. Following consummation of the transaction, Cherokee will retain all assets to be used in connection with its ongoing operations in areas that are not subject to CAF obligations.

AtLink is a provider of voice and broadband service, including interconnected VoIP service, using both fiber and fixed wireless technology to connect homes, businesses and anchor institutions

in Oklahoma. AtLink will retain its current CAF obligations in addition to assuming Cherokee's CAF obligations in the Assigned Census Blocks.

(8) Statement on how the application fits into one or more of the presumptive streamlined categories or why it is otherwise appropriate for streamlined treatment.

This Application is eligible for streamlined processing pursuant to Section 63.03 of the Commission's rules.<sup>5</sup> In particular, it is eligible for streamlined processing under Section 63.03(b)(2)(i) because (i) AtLink and its affiliates have and would have a market share in the interstate, interexchange market of less than 10 percent, (ii) AtLink and its affiliates provide and would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and (iii) neither of the Applicants is dominant with respect to any service.<sup>6</sup> Applicants understand, however, that the Bureau may elect not to apply streamlined treatment to this Application because of the need to re-confirm AtLink's qualifications to assume Cherokee's CAF obligations. Nevertheless, Applicants submit that expeditious approval of this Application would serve the public interest.

- (9) Identification of all other Commission applications related to the same Transaction.

  There are no other pending FCC applications related to this transaction.
- (10) Statement whether the applicants are requesting special consideration because either party to the Transaction is facing imminent business failure.

Neither party to this transaction is facing imminent business failure, and there are accordingly no requests for any special treatment of the Application based on such considerations.

(11) Identification of any separately filed waiver requests being sought in conjunction with the Transaction.

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<sup>&</sup>lt;sup>5</sup> See 47 C.F.R. § 63.03.

<sup>&</sup>lt;sup>6</sup> See id. § 63.03(b)(2)(i).

No separately filed waivers are currently being sought in conjunction with the transaction.

(12) A statement showing how grant of the application will serve the public interest, convenience, and necessity, including any additional information that may be necessary to show the effect of the proposed Transaction on competition in domestic markets.

The Commission's grant of this Application will serve the public interest, convenience, and necessity for the reasons described in Section III hereof.

#### V. CONCLUSION

For the foregoing reasons, the Commission's grant of this Application will serve the public interest, convenience, and necessity. Accordingly, Applicants respectfully request that the Commission grant this Application.

Respectfully submitted,

**Cherokee Telephone Company** 

and

AtLink Services, LLC

October 27, 2021

By: /s/ Stephen E. Coran

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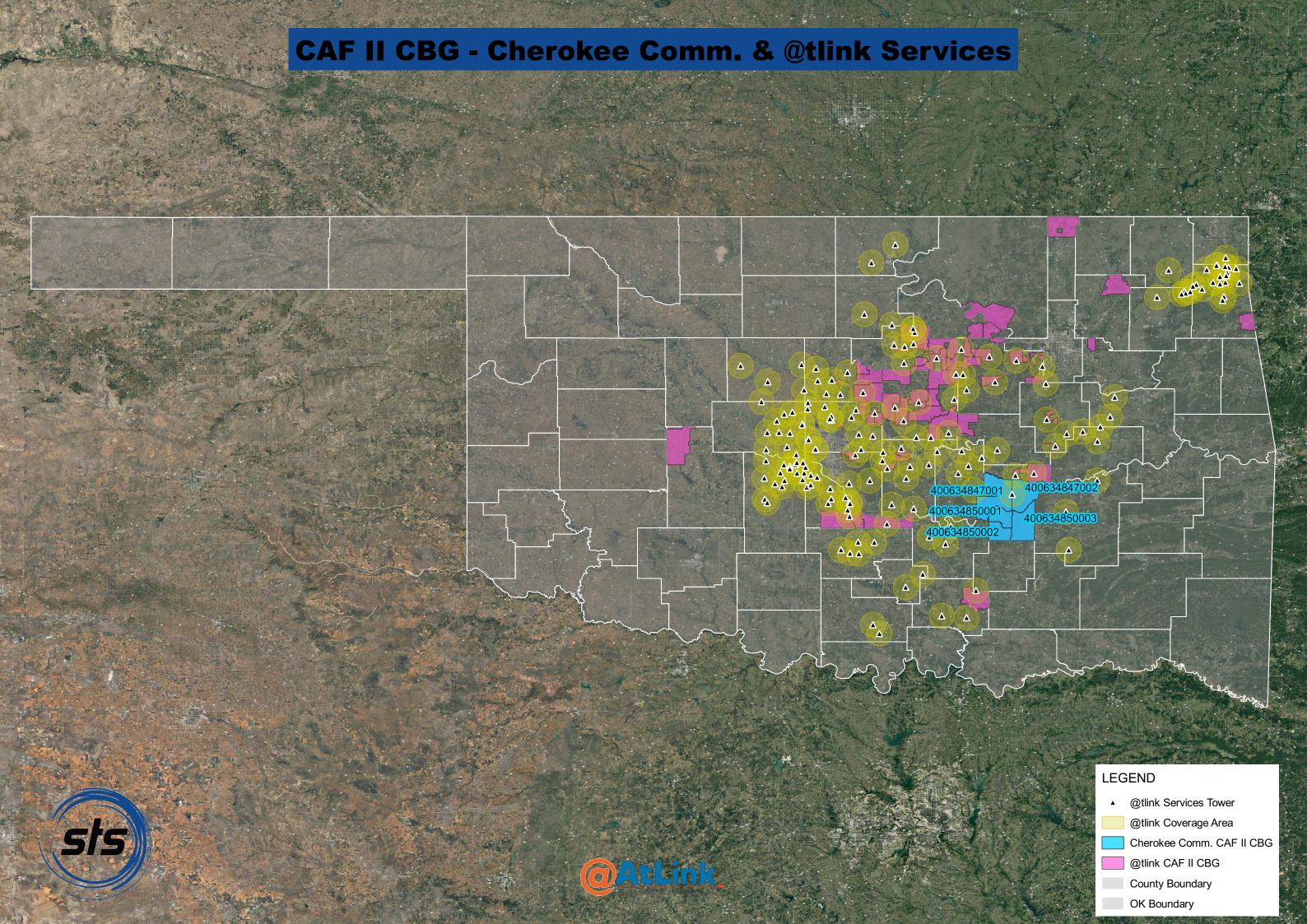
### **EXHIBIT 1**

#### EXHIBIT A – CENSUS BLOCK ASSIGNED

[DA/FCC #: DA-19-981; Docket/RM: 17-182 10-90; FCC Record Citation: 34 FCC Rcd 8663 (11)]

| Applicant<br>Name          | FRN        | Winning Bid<br>Name | State    | ETC | Study<br>Area<br>Code | # of<br>Census<br>Block<br>Groups | # of<br>Eligible<br>Census<br>Blocks | # of<br>Locations | Winning Bid<br>Amount<br>(total over<br>10 years) | Amount Due<br>on LOC<br>(first year<br>of support)* |
|----------------------------|------------|---------------------|----------|-----|-----------------------|-----------------------------------|--------------------------------------|-------------------|---|---|
| Cherokee Telephone Company | 0004365318 | OK-063-4847001      | Oklahoma | Y   | 439081                | 1                                 | 100                                  | 491               | \$ 224,474.50                                     | \$ 22,447.45  |
| Cherokee Telephone Company | 0004365318 | OK-063-4847002      | Oklahoma | Υ   | 439081                | 1                                 | 56                                   | 277               | \$ 172,647.00                                     | \$ 17,264.70  |
| Cherokee Telephone Company | 0004365318 | OK-063-4850001      | Oklahoma | Y   | 439081                | 1                                 | 32                                   | 156               | \$ 70,269.50                                      | \$ 7,026.95   |
| Cherokee Telephone Company | 0004365318 | OK-063-4850002      | Oklahoma | Y   | 439081                | 1                                 | 43                                   | 171               | \$ 80,405.00                                      | \$ 8,040.50   |
| Cherokee Telephone Company | 0004365318 | OK-063-4850003      | Oklahoma | Y   | 439081                | 1                                 | 18                                   | 71                | \$ 47,179.00                                      | \$ 4,717.90   |
|                            |            |                     |          |     | Т                     | otals:                            | 249                                  | 1,166             | \$594,975.00                                      | \$59,497.50   |

### **EXHIBIT 2**



# CERTIFICATIONS IN SUPPORT OF THE APPLICATION FOR CONSENT TO TRANSFER CONTROL OF DOMESTIC AUTHORIZATION PURSUANT TO SECTION 214 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED, HELD BY CHEROKEE TELEPHONE COMPANY

- I, Samuel Sanchez, under penalty of perjury, hereby certify:
  - 1. I am over the age of 18 years;
  - 2. I am the Vice President of Cherokee Telephone Company; and
  - 3. Cherokee Telephone Company is not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information, and belief this and that these Certifications were executed on this 27 day of October, 2021 at [Calera, Oklahoma].

By:

Samuel C. Sanchez

**Vice President** 

# CERTIFICATIONS IN SUPPORT OF THE APPLICATION FOR CONSENT TO TRANSFER CONTROL OF DOMESTIC AUTHORIZATION PURSUANT TO SECTION 214 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED, HELD BY CHEROKEE TELEPHONE COMPANY

#### I, Samual T. Curtis, under penalty of perjury, certify:

- 1. I am over the age of 18 years;
- 2. I am the President & Manager of AtLink Services, LLC ("AtLink");
- 3. AtLink certifies that upon consummation of the proposed assignment, AtLink's experienced management team will assume the operations of Cherokee Telephone Company ("Cherokee") with respect to its Connect America Fund Phase II ("CAF") obligations;
- 4. AtLink further states that it is familiar with deployment obligations under the high-cost funds, and can leverage its existing infrastructure and capital resources to address Cherokee's obligations to consumers as well as to the Commission;
- 5. AtLink certifies that Cherokee's CAF obligations will be met; and
- 6. AtLink is not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information, and belief this and that these Certifications were executed on this 25th day of October 2021 at Oklahoma City, OK

Samual T. Curtis

By:

**President & Manager**